



THE ASSISTANT SECRETARY OF THE NAVY  
(Research, Development and Acquisition)  
WASHINGTON, D.C. 20350-1000  
AUG 09 2001

MEMORANDUM FOR DISTRIBUTION

Subj: CONTRACTOR COST DATA REPORTING REQUIREMENTS

Ref: (a) DoD 5000.2-R dated 10 Jun 01

Contractor Cost Data Reports (CCDRs) are DoD's primary means of collecting data on actual costs that contractors incur in developing and producing DoD weapon systems. CCDRs have been used for more than two decades by the Navy and by the OSD Cost Analysis Improvement Group (CAIG) to generate cost estimates for major weapon systems. These estimates, in turn, are used for programming and budgeting and to support trade-off studies and major milestone reviews.

CCDRs are essential in providing DoD with a database of historical information that can be used to predict the cost of future systems. Without CCDRs, cost estimates for new classes of aircraft, missiles, and other systems would be extremely difficult, if not impossible, to develop. This memo, generated in response to reviews by the Office of the Under Secretary of Defense, Acquisition Technology and Logistics, USD(AT&L), highlights the continued need for CCDRs in the Navy's acquisition community.

Management of the CCDR process lies with the CCDR Program Office, established in 1996 by USD(AT&L). Program Managers and Cost Integrated Product Teams (CIPTs) perform vital functions in the CCDR process. Indeed, the PM is responsible for submitting the CCDR Plan and Work Breakdown Structure (WBS) Dictionary, with CIPT concurrence, as part of the Cost Analysis Requirements Description. The CCDRs themselves are completed by a weapon-system contractor and submitted to the government at various stages of the acquisition process.

As delineated in reference (a), paragraph C7.15.7.1, CCDRs are required on all ACAT I contracts and subcontracts value at more than \$42 million, in FY 2000 constant dollars, unless

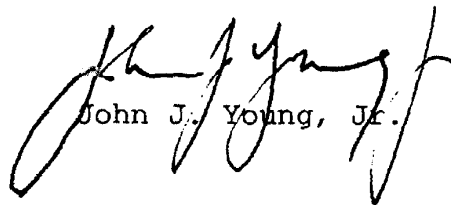
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waived by the Chairman, OSD CAIG, with the following exceptions. CCDRs are not required for:

- Commercial systems;
- Ship development and construction contracts;
- Competitively awarded, firm fixed price contracts; or
- Contracts priced below \$42M unless deemed high risk or high technical interest by the Program Manager or I T.

Note, however, that CCDRs are still required for ACAT I ship and submarine weapon systems. In addition, ACAT II and III programs may be required by the Cost Working Integrated Product Team to provide CCDRs, although usually at a less detailed level and less frequently than for ACAT I programs.

It is imperative that all Naval acquisition programs adhere to the CCDR requirements identified in reference (a), specifically paragraph C7.15.7.1. Visit OSD's CCDR web site at <http://crs.pae.osd.mil> to obtain additional information. The Navy point of contact is Dr. Brian Flynn at (202) 764-2630.



John J. Young, Jr.

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